



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

77-4988

June 28, 1977

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH, EDUCATION,
AND WELFARE
THE SECRETARY OF HOUSING AND URBAN
DEVELOPMENT
THE SECRETARY OF TRANSPORTATION
THE DIRECTOR OF ACTION
THE DIRECTOR OF THE CENTRAL INTELLIGENCE
AGENCY
THE DIRECTOR OF THE COMMUNITY SERVICES
ADMINISTRATION
THE ADMINISTRATOR OF THE ENVIRONMENTAL
PROTECTION AGENCY
THE ADMINISTRATOR OF THE NATIONAL AERONAUTICS
AND SPACE ADMINISTRATION
THE CHAIRMAN OF THE NATIONAL SCIENCE
FOUNDATION
THE ADMINISTRATOR OF THE SMALL BUSINESS
ADMINISTRATION
THE SECRETARY OF THE SMITHSONIAN INSTITUTION
THE CHAIRMAN OF THE TENNESSEE VALLEY AUTHORITY
THE CHAIRMAN OF THE UNITED STATES CIVIL
SERVICE COMMISSION
THE DIRECTOR OF THE UNITED STATES INFORMATION
AGENCY
THE ADMINISTRATOR OF VETERANS AFFAIRS

In keeping with President Carter's emphasis on public accountability for public funds, we want to be sure that adequate financial controls exist in the executive branch departments and agencies. One of our prime concerns is to insure that programs are being conducted efficiently and effectively, and that funds are being spent in accordance with congressional intent.

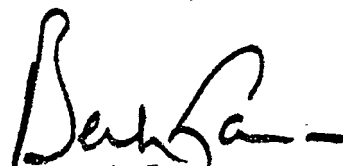
(EXECUTIVE SECRETARY FILE *OMB*)

As you know, the Antideficiency Act (Section 3679 of the Revised Statutes) requires the head of each executive agency, subject to the approval of the Director of the Office of Management and Budget, to prescribe, by regulation, a system of administrative control of funds. The Act further requires that such system must be designed to (a) restrict obligations and expenditures against each appropriation to the amount of apportionments or reappportionments made for such appropriation and (b) enable each agency head to fix responsibility for the creation of any obligation or the making of any expenditure in excess of an apportionment or reappportionment.

In a recent survey, we found that many agency regulations for the administrative control of funds were outdated. We also found, in a number of cases, that procedural and organizational changes had taken place within agencies, but were not reflected in current fund control regulations. In addition, most regulations have not been updated to reflect the 1976 revision of OMB Circular No. A-34. This recent revision has an impact on fund control. For example, new requirements for reporting deferrals and proposed rescissions have been added, and the treatment of estimated reimbursements has been clarified.

For these reasons, we are asking all major departments and agencies to carefully review their current regulations, update as necessary, and submit revised regulations to the Office of Management and Budget for approval. Each revision should reflect changes in organization, operating procedures, legal requirements, and advancements in management techniques. Also included should be a review of past violations to identify and correct any other weaknesses in the fund control system.

Revised regulations are to be submitted to the Office of Management and Budget by October 1, 1977. Inquiries and requests for assistance should be addressed to the Financial Management Branch, Budget Review Division, Office of Management and Budget, telephone: (202) 395-4773.


Bert Lance
Director

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1st 777
Per D/ES
Action has
been changed
from Comptroller
to DDA.

EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		✓		
2	DDCI		✓		
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4	DDS&T				
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7	DDO				
8	D/DCI/NI				
9	GC				
10	LC				
11	IG				
12	Compt	✓			
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Remarks:

TO 12: FOR REVIEW & COMMENT TO THE DCI YR DDCI.

D/Executive Secretary

29 JUN